

Powerex Corp.

Comments Received 4/4/2014

Balancing Services Resources Prequalification Business Practice, Version 2

Karen McDonald

Trade Policy, Pacific Northwest

Powerex Corp.

Subject: Balancing Services Resources Prequalification Business Practice, Version 2

Powerex has reviewed the revised version of the Balancing Services Resources Prequalification business practice.

Powerex notes that BPA's recent Requests for Offers for Imbalance Capacity (dated July 16, 2013, October 3, 2013, November 19, 2013, and March 7, 2014) have all contained the language excerpted below regarding the Point of Delivery.

5. Point of Delivery (POD):

- a. For resources within the BPA BA, the POD will be the interconnection point where the generator or demand response resource delivers energy to the BPA BA. BPA will be responsible for adjusting energy quantities on the dynamic e-tag.
- b. For resources outside the BPA BA, the POD will be the interconnection point where the provider delivers energy to the BPA BA. The seller must use firm transmission to deliver to the BPA BA. These deliveries will be made via a capacity e-tag. BPA will be responsible for adjusting the energy quantities on the e-tag.

This language regarding the POD implies that BPA is responsible for the transmission required to bring the 3rd party supply of Incremental Capacity from the POD to the BPA Centroid.

These RFP terms appear to be inconsistent with Section A6 of the draft Balancing Services Resources Prequalification business practice, which indicates that *"The supplier of Balancing Services is responsible for delivery of Balancing Services to or from a Balancing Services Centroid, as the case may be"*.

Powerex suggests that BPA ensure there is consistency between its RFPs and the business practice, as well as consistency in the transmission treatment for resources within and outside the BPA BA.

Thank you for the opportunity to submit comments.

Karen McDonald

Trade Policy, Pacific Northwest

Powerex Corp.

Suite 1300, 666 Burrard Street

Vancouver, BC

604-895-6030

Karen.mcdonald@powerex.corp